

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2775**

January 21, 2010

**SUMMARY OF BILL:** Expands penalties to cover partnerships, associations, or corporations offering or engaging in locksmith services without a license. Increases, from \$1,000 minimum and \$5,000 maximum to \$2,500 minimum and \$7,500 maximum, the amount of civil penalty for violations. Increases, from six to twelve months, the period of time a person is ineligible to apply for licensure once found to be engaging in locksmith services without a license. Increases, from \$5,000 to \$7,500, the civil penalty that can be assessed by the Commissioner of Commerce and Insurance for violation of rules. Requires violators to repay customer payments or deposits. All violations are punishable as a Class B misdemeanor. Requires all person, partnerships, associations, or corporations engaging in locksmith services to post, for customers, a toll-free compliant hotline number to be established by the Commissioner.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue - \$5,000/One-Time/Locksmith Licensing Program  
\$1,200/Recurring/Locksmith Licensing Program**

**Increase State Expenditures – \$5,000/One-Time/Locksmith Licensing Program  
\$1,200/Recurring/Locksmith Licensing Program**

**Increase Local Revenue – Not Significant**

**Increase Local Expenditures – Not Significant**

**Assumptions:**

- The Locksmith Licensing Program will incur one-time costs of \$5,000 for a rule-making hearing and recurring costs of \$1,200 for the operation of the toll-free hotline.
- According to Program staff, fees will be increased in an amount sufficient to cover the one-time and recurring costs.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all regulatory boards are required to be self-supporting over a two-year period. As of June 30, 2008, the program had a positive balance of \$14,950.27.
- A small increase in cases in the court system, which will result in additional state and local government expenditures for processing the cases and additional state and local government revenue from fees, taxes and costs collected. These expenditures and revenue are estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

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